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ECHELON PETROLEUM CORP.

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Trading Symbol: ECH - (TSX.V)

ECHELON ANNOUNCES PRIVATE PLACEMENT

January 29, 2016, Vancouver, BC - Echelon Petroleum Corp. ("Echelon" or "the Company") (TSX.V: ECH) announces that on January 29, 2016 the British Columbia Securities Commission issued a Partial Revocation Order in respect of the Cease Trade Order issued by the British Columbia Securities Commission on August 6, 2015 for failure to file the Company's audited financial statements.

Under the Partial Revocation Order the Company will undertake a non-brokered private placement (the "**Private Placement**") of up to 10,000,000 common shares in the capital of the Company (the "**Shares**") at a price of \$0.06 per Share for gross proceeds of up to \$600,000, as well as a debt settlement (the "**Debt Settlement**") pursuant to which up to 1,000,000 Shares will be issued at a deemed price of \$0.06 per Share for the settlement of outstanding debt up to \$60,000.

It is anticipated that Eric Boehnke, a director and officer of the Company, will subscribe for a significant portion of the Private Placement and the Debt Settlement and will become a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange ("**TSXV**") on closing. As required by the policies of the TSXV, shareholder approval will be sought for the creation of a new Control Person at the Company's annual and special meeting of shareholders to be held on February 24, 2016.

The Private Placement is subject to certain conditions including, but not limited to, shareholder approval, the approval of a majority of the minority shareholders, the receipt of all necessary approvals (including the approval of the TSXV) and compliance with all applicable regulatory requirements. The Shares will be subject to a minimum four-month hold period. Echelon plans to use the net proceeds from the Private Placement for working capital and general corporate purposes. Echelon plans to file the delinquent continuous reporting documents, apply to the British Columbia Securities Commission for a full revocation of the Cease Trade Order, and apply to the TSXV for reinstatement as a NEX issuer following successful completion of the Private Placement and the Debt Settlement.

The participation in the Private Placement and the Debt Settlement by Mr. Boehnke will also constitute a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the related party transaction. The Company is relying on the exemption in section 5.5(c) of MI 61-101 from the formal valuation requirement, as neither the Company nor, to the knowledge of the Company after reasonable inquiry, Mr. Boehnke has knowledge of any material information concerning the Company or its securities that has not been generally disclosed. The information circular for the Company's upcoming annual and special meeting of shareholders will include a

statement to that effect, and the information circular will include a description of the effect of the Private Placement on the direct or indirect voting interest of Mr. Boehnke.

A copy of the information circular will be mailed to shareholders and available under the Company's profile at www.sedar.com or upon request to the Company.

ON BEHALF OF THE BOARD

ECHELON PETROLEUM CORP.

Per: "Eric Boehnke"
Eric Boehnke, CEO

For further information, please contact:

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This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.